



0000024684

## BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKETED

APR 24 2001

WILLIAM A. MUNDELL  
CHAIRMAN  
JIM IRVIN  
COMMISSIONER  
MARC SPITZER  
COMMISSIONER

DOCKETED BY

sd

IN THE MATTER OF THE APPLICATION OF  
COIN PHONE MANAGEMENT COMPANY FOR  
A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE CUSTOMER-OWNED  
PAY TELEPHONE SERVICE IN THE STATE OF  
ARIZONA.

DOCKET NO. T-03983A-01-0066

DECISION NO. 63605ORDER

Open Meeting  
April 17 and 18, 2001  
Phoenix, Arizona

**BY THE COMMISSION:**

Having considered the entire record herein and being fully advised in the premises, the  
Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

**FINDINGS OF FACT**

1. On January 22, 2001, Coin Phone Management Company ("Applicant") filed with the  
Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide  
customer-owned pay telephone ("COPT") service in the State of Arizona.

2. In Decision No. 55817 (December 10, 1987), the Commission found that COPT  
providers were public service corporations subject to the jurisdiction of the Commission.

3. Decision No. 57797 (April 8, 1992) adopted A.A.C. R14-2-901 through R14-2-909 to  
regulate COPT providers.

4. Decision No. 58535 (February 14, 1994) adopted a Generic Tariff that establishes  
rates and minimum service standards applicable to COPT service.

5. Pursuant to A.R.S. § 40-282, the Commission may issue Decisions regarding COPT  
Certificates without a hearing.

6. Applicant has requested that a Certificate be granted and has indicated that it will  
provide COPT service pursuant to the rates, terms and conditions specified in the Generic COPT  
Tariff.

7. Applicant is an Kentucky corporation authorized to do business in Arizona since 2001.

8. Applicant does not currently provide COPT services in Arizona.

9. Applicant plans to provide end-users with 0+, 1+, local, calling card, long distance service, and operator-assisted calls. A minimum of three-minute time limit will be allowed on local calls.

10. On August 29, 2000, the Court of Appeals, Division One (“Court”) issued its Opinion in US WEST Communications, Inc. v. Arizona Corporation Commission, 1 CA-CV 98-0672, holding that “the Arizona Constitution requires the Commission to determine fair value rate base (“FVRB”) for all public service corporations in Arizona prior to setting their rates and charges.”

11. On October 26, 2000, the Commission filed a Petition for Review to the Arizona Supreme Court. On February 13, 2001, the Commission's Petition was granted. However, at this time, we are going to request FVRB information to insure compliance with the Constitution should the ultimate decision of the Supreme Court affirm the Court's interpretation of Section 14. We are also concerned that the cost and complexity of FVRB determinations must not offend the Telecommunications Act of 1996.

12. On January 29, 2001, the Commission's Utilities Division Staff ("Staff") filed a Staff Report, recommending approval of the application without a hearing.

13. Staff recommended that the Commission order Applicant to file a copy of its customer information placard, in compliance with the Generic Tariff.

## CONCLUSIONS OF LAW

1. Applicant is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

2. The Commission has jurisdiction over Applicant and the subject matter of the application.

3. The provision of COPT service in Arizona by Applicant is in the public interest.

4. Applicant is a fit and proper entity to receive a Certificate for providing COPT service in Arizona.

5. Staff's recommendations in Findings of Fact No. 12 and 13 are reasonable and should

1 be adopted.

2 **ORDER**

3 IT IS THEREFORE ORDERED that the application of Coin Phone Management Company  
4 for a Certificate of Convenience and Necessity to provide customer-owned pay telephone service  
5 shall be, and is hereby, approved, conditioned upon Coin Phone Management Company filing a  
6 customer information placard approved by the Director of the Utilities Division for compliance with  
7 the requirements of the Generic COPT Tariff within 60 days of the effective date of this Decision.

8 IT IS FURTHER ORDERED that Coin Phone Management Company shall comply with the  
9 terms of the Generic COPT Tariff, unless otherwise ordered by the Commission.

10 IT IS FURTHER ORDERED that Coin Phone Management Company shall file the following  
11 FVRB information within 18 months of the date that it first provides service. The FVRB shall  
12 include a dollar amount representing the total revenue for the first twelve months of  
13 telecommunications service provided to Arizona customers by Coin Phone Management Company  
14 following certification, adjusted to reflect the maximum rates that Coin Phone Management  
15 Company requests in its tariff. This adjusted total revenue figure could be calculated as the number  
16 of units sold for all services offered times the maximum charge per unit. Coin Phone Management  
17 Company shall also file FVRB information detailing the total actual operating expenses for the first  
18 twelve months of telecommunications service provided to Arizona customers by Coin Phone  
19 Management Company following certification. Coin Phone Management Company shall also file  
20 FVRB information which includes a description and value of all assets, including plant, equipment,  
21 and office supplies to be used to provide telecommunications service to Arizona customers for the  
22 first twelve months following Coin Phone Management Company's certification.

23 ...

24 ...

25 ...

26 ...

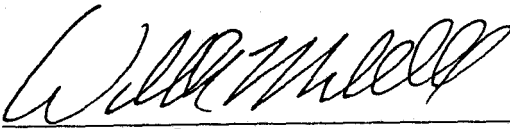
27 ...

28 ...

IT IS FURTHER ORDERED that within 90 days of the effective date of this Decision, Coin Phone Management Company shall notify the Compliance Section of the Arizona Corporation Commission of the date that it will begin or has begun providing service to Arizona customers.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.



CHAIRMAN

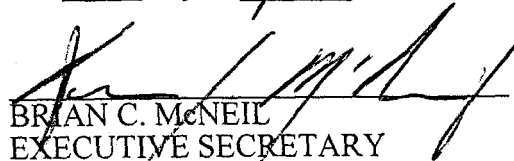


COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 24<sup>th</sup> day of April, 2001.



BRIAN C. McNEIL  
EXECUTIVE SECRETARY

DISSENT \_\_\_\_\_

AG:dap

1 SERVICE LIST FOR: COIN PHONE MANAGEMENT COMPANY

2 DOCKET NO. T-03983A-01-0066

3

4 Richard A. Snider  
COIN PHONE MANAGEMENT COMPANY  
1846 Cargo Court  
5 Louisville, Kentucky 40299

6 Christopher Kempley, Chief Counsel  
Legal Division  
7 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
8 Phoenix, AZ 85007

9 Deborah Scott, Director  
Utilities Division  
10 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
11 Phoenix, AZ 85007

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28